expect during the next year an increase of Rs. 1·26 lakhs under "Customs," Rs. 33,000 under "Stamps," Rs. 36,000 under "Stationery and Printing" and Rs. 47,000 under "Railway." An analysis of the expenditure will disclose that a liberal policy has been followed regarding the allotment of funds to the social service departments. The expenditure under the Medical department is Rs. 1·03 lakhs more than the revised estimate, and under the Education department there is an increase of Rs. 41,000. In addition to these, there is a provision of Rs. 1·50 lakhs for the improvement of school buildings and Rs. 75,000 for improvements in the buildings and equipments of our hospitals and dispensaries. Out of the special contribution of Rs. 1 lakh for rural development, the Minister has allotted Rs. 62,500 for Panchayats and Rs. 35,500 for the other departments under him, leaving a reserve of Rs. 2,000 for unexpected works. In the course of the budget discussion the Minister will give a more detailed account of the way in which the special grant for rural development has been spent during the last year and his programme for the coming years.

REVENUE RESERVE FUND

5. It might be remembered that the nucleus of the Revenue Reserve Fund was created by a transfer of Rs. 4·50 lakhs from the realised surplus of 1113 M. E. In 1114 we transferred Rs. 6·50 lakhs to this fund. The total assets under the fund thus amounted to Rs. 11 lakhs. In 1115 and 1116 there are appropriations amounting to Rs. 2 lakhs for rural development work and Rs. 2·25 lakhs for school and hospital buildings. The balance in the fund at the end of next year will be Rs. 6·75 lakhs. I hope that it will be possible to increase the size of this fund by further appropriations from the realised surplus of the current year. This fund was created with the object of providing a reserve from which we can draw for special items of work under the social service departments and which will also afford a reserve in lean years. In view of the disturbed conditions that prevail all over the world, it might happen that there might be considerable fluctuations in our revenues. At such times the amounts available in the Revenue Reserve Fund will help us in carrying on our normal activities without unduly restricting the essential demands. In the course of my visit to the various parts of the State, I have found that the condition of school and hospital buildings in many places is, indeed, very bad. In certain schools, classes are being held under thatched roofs. In other schools there is

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over-crowding to a very large extent. From the normal revenues of the year it has not been possible to find adequate funds for effecting the necessary improvements to these institutions. I have, therefore, set apart a sum of Rs. 1½ lakhs for improving the accommodation in all such buildings. An amount of Rs. 75,000 has also been provided for improving the accommodation and equipments in the medical institutions of the State. The plans and estimates for all these improvements are now ready, and orders have been issued to start the works early next year and complete them within nine months. When these works are finished it will be found that the accommodation in our schools and medical institutions has improved in a satisfactory manner.

CAPITAL ASSETS

6. In my last budget speech I gave some account of the position relating to the public debt of the State and the assets and liabilities of the Cochin Government. The position continues to be eminently satisfactory. Our main liabilities are still the amount of Rs. 105 lakhs due to the public on the two loans and Rs. 22 lakhs taken from the Government of India as a loan for harbour purposes. Apart from various minor assets, our main investments alone are over Rs. 256 lakhs. At the end of the current year our total investment in the Harbour will amount to Rs. 96·81 lakhs. This figure represents the following items of investments: amount advanced during the earlier stages, Rs. 3·92 lakhs; cost of the reclamation of 100 acres owned by the Cochin Government, Rs. 15 lakhs; advance for the Fourth Stage Works, Rs. 63·43 lakhs; advance for the purchase of a dredger, Rs. 13·33 lakhs; advance for building ware-houses, Rs. 1·13 lakhs. The total amount spent on the conversion of the railway into broad gauge and the diversion from Edapilli will amount to Rs. 84·54 lakhs at the end of the current year. In addition to these investments, we have got Rs. 47·65 lakhs invested in Government securities and Rs. 27 lakhs as fixed deposits in banks. I have given you only the main items of investments which alone thus total Rs. 256 lakhs. The details of the other advances and investments will be found in the budget statement.

COCHIN PORT

7. Practically all the works pertaining to the Fourth Stage Works have been completed. The laying of the permanent track of the harbour railway was completed during the course

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